

H.R.864

Renewable Fuel Pipelines Act of 2009 (Introduced in House)  
HR 864 IH

111th CONGRESS  
1st Session  
H. R. 864

To amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 4, 2009

Mr. BOSWELL (for himself, Mr. TERRY, Mr. BRALEY of Iowa, Mr. LATHAM, Mr. PETERSON, Mr. LOEBSACK, and Mr. KING of Iowa) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,  
SECTION 1. SHORT TITLE.

This Act may be cited as the `Renewable Fuel Pipelines Act of 2009'.  
SEC. 2. FINDINGS.

Congress finds the following:

- (1) Creating the appropriate infrastructure to move renewable fuels is a necessary energy and transportation objective for the United States.
- (2) Currently more than 70 percent of the gasoline supply of the United States is delivered to local terminals through pipelines.
- (3) Pipelines are the most cost-effective, efficient, and safe transportation mode in use today to deliver large volumes of liquid fuels.
- (4) Renewable fuels are currently transported by truck, barge, and rail, and the volume requirements of the Energy Independence and Security Act of 2007 may overwhelm the renewable fuels infrastructure, a problem that would be alleviated by the transportation of

renewable fuels through pipelines.

(5) The production and use of renewable fuels is supported by Federal policy and a corresponding Federal policy is necessary to support the construction of an appropriate infrastructure to transport such fuels.

### SEC. 3. LOAN GUARANTEES FOR PROJECTS TO CONSTRUCT RENEWABLE FUEL PIPELINES.

(a) Definitions- Section 1701 of the Energy Policy Act of 2005 (42 U.S.C. 16511) is amended by adding at the end the following:

`(6) RENEWABLE FUEL- The term `renewable fuel' has the meaning given the term in section 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)), except that the term shall include all ethanol and biodiesel.

`(7) RENEWABLE FUEL PIPELINE- The term `renewable fuel pipeline' means a common carrier pipeline for transporting renewable fuel.'.

(b) Terms and Conditions-

(1) SPECIFIC APPROPRIATION OR CONTRIBUTION- Subsection (b) of section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) is amended--

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by moving such subparagraphs 2 ems to the right;

(B) by striking `(b) Specific Appropriation or Contribution- No guarantee' and inserting the following:

`(b) Specific Appropriation or Contribution-

`(1) IN GENERAL- No guarantee'; and

(C) by adding at the end the following:

`(2) RENEWABLE FUEL PIPELINES- The Secretary may waive the application of paragraph (1) with respect to a guarantee for a project described in section 1703(f)(1).'

(2) AMOUNT- Subsection (c) of such section is amended--

(A) by striking `(c) Amount- Unless' and inserting the following:

`(c) Amount-

`(1) IN GENERAL- Unless'; and

(B) by adding at the end the following:

`(2) RENEWABLE FUEL PIPELINES- With respect to a project described in section 1703(f)(1)--

`(A) a guarantee by the Secretary shall not exceed an amount equal to 90 percent of the project cost of the renewable fuel pipeline that is the subject of the guarantee, as estimated at the time at which the guarantee is issued; and

`(B) the Secretary may make more than one guarantee for such project, to the extent that the sum of all guarantees for such project does not exceed an amount equal to 90 percent of the project cost of the renewable fuel pipeline that is the subject of such guarantees, as estimated any time after the original guarantee is issued.'

(c) Eligible Projects- Section 1703 of the Energy Policy Act of 2005 (42 U.S.C. 16513) is amended by adding at the end the following:

`(f) Renewable Fuel Pipelines-

`(1) IN GENERAL- The Secretary may make guarantees under this title for projects to construct renewable fuel pipelines without regard to any limitation under this section other than a limitation under this subsection.

`(2) GUARANTEE DETERMINATIONS- In determining whether to make a guarantee for a project described in paragraph (1), the Secretary shall consider the following:

- `(A) The volume of renewable fuel to be moved by the renewable fuel pipeline.
- `(B) The size of the markets to be served by the renewable fuel pipeline.
- `(C) The existence of sufficient storage to facilitate access to the markets to be served by the renewable fuel pipeline.
- `(D) The proximity of the renewable fuel pipeline to renewable fuel production facilities.
- `(E) The investment in terminal infrastructure of the entity carrying out the proposed project.
- `(F) The history and experience working with renewable fuel of the entity carrying out the proposed project.
- `(G) The ability of the entity carrying out the proposed project to ensure and maintain the quality of the renewable fuel through the terminal system of the entity and through the dedicated pipeline system.
- `(H) The ability of the entity carrying out the proposed project to complete such proposed project in a timely manner.
- `(I) The ability of the entity carrying out the proposed project to secure property rights-of-way.
- `(J) Other criteria the Secretary determines appropriate for consideration.

`(3) EMINENT DOMAIN AUTHORITY- When any entity in the carrying out of a project described in paragraph (1) for which a guarantee is made under this title cannot acquire by contract, or is unable to agree with the owner of property to the compensation to be paid for, the necessary right-of-way to construct, operate, and maintain a pipeline or pipelines for the transportation of renewable fuel, and the necessary land or other property, in addition to right-of-way, for the location of pump stations, pressure apparatus, or other facilities or equipment necessary to the proper operation of such pipeline or pipelines, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which such property may be located, or in the State courts, if such exercise is first determined by the Secretary to be necessary or desirable in the public interest. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform as nearly as may be with the practice and procedure in a similar action or proceeding in the courts of the State where the property is situated. The United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds \$3,000.'.

#### SEC. 4. FINAL RULE.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Energy shall publish in the Federal Register a final rule for carrying out a guarantee program for the construction of renewable fuel pipelines under title XVII of the Energy Policy Act of 2005 in accordance with the amendments made by this Act or shall modify rules and regulations currently applicable to the guarantee program under such title in accordance with the amendments made by this Act.

#### SEC. 5. GRANT PROGRAM FOR PREPARATION OF PROJECTS TO CONSTRUCT RENEWABLE FUEL PIPELINES.

(a) In General- The Secretary may provide grants for projects described in section 1703(f)(1) of the Energy Policy Act of 2005, as added by section 3(c) of this Act, to assist in carrying out permit acquisition, planning, and other preparatory activities for such projects in advance of

participation in the guarantee program under title XVII of the Energy Policy Act of 2005.

(b) No Impact on Eligibility for a Guarantee- In determining whether to make a guarantee for a project under title XVII of the Energy Policy Act of 2005, the Secretary shall not take into consideration whether a grant was provided for such project under this section.

(c) Impact on Guarantee Amount- In the case of a project for which a grant is provided under this section and a loan guarantee is made under title XVII of the Energy Policy Act of 2005, the sum with respect to such project of grants provided under this section and amounts guaranteed under title XVII of the Energy Policy Act of 2005 may not exceed 90 percent of the project cost of such project as estimated at the time at which a guarantee is issued.

(d) Definition of Secretary- In this section, the term `Secretary' means the Secretary of Energy.

(e) Authorization of Appropriations- There is authorized to be appropriated to the Secretary to carry out this section \$50,000,000, to remain available until expended.

